

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-02 H-02 PA-02 PRS-01 USIA-15 AGR-10 /120 W

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R 181035Z APR 75 ZDK
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 9539
INFO AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY THE HAGUE
AMCONSUL HONG KONG
AMEMBASSY LONDON
AMEMBSSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSELS
USMISSION OECD PARIS
AMMBASSY MANILA 5898

UNCLAS TOKYO 5176

DEPT. PASS TREASURY, CEA AND FEDERAL RESERVE

MANILAPASS ADB FOR BENNETT

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: JAPAN'S BALANCE OF PAYMENTS IN MARCH - PROVISIONAL

1. SUMMARY: PROVISIONAL MAR B/P STATISTICS RECORDED LARGER
SURPLUS THAN IN FEB FOR TRADE AND CURRENT ACCOUNT BUT
BASIC BALANCE SURPLUS DECLINED DUE TO SHARP REDUCTION IN
NET INFLOW OF LONG-TERM CAPITAL. END SUMMARY
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2. TRADE SURPLUS (NOT SEASONALLY ADJUSTED) INCREASED \$185 MIL FROM FEB TO \$790 MIL IN MAR AND SURPLUS ON CURRENT ACCOUNT ROSE \$163 MIL TO REACH \$270 MIL. ON OTHER HAND, INFLOW OF LONG-TERM CAPITAL DECLINED \$192 MIL FROM FEB. LEVEL TO NET INFLOW OF \$50 MIL IN MARCH. AS RESULT, SURPLUS ON BASIC BALANCE DECLINED BY \$29 MIL TO \$320 MIL.

3. ON SEASONALLY ADJUSTED BASIS, TRADE SURPLUS DECREASED BY \$320 MIL IN FEB. TO \$502 MIL IN MAR. EXPORTS (F.O.B.) SEASONALLY ADJUSTED) REGISTERED \$325 MIL (6.7 PERCENT) DECREASE WHILE IMPORTS (F.O.B. SEASONALLY ADJUSTED) WERE DOWN \$5 MIL (0.1 PERCENT) FROM FEB LEVEL.

4. FOR THE ENTIRE FIRST QUARTER OF 1975, JAPAN'S SEASONALLY ADJUSTED EXPORTS (F.O.B) TOTALLED \$14,675 MIL, A 2.3 PERCENT DECLINE FROM THE \$15,028 MIL RECORDED IN THE FINAL QUARTER OF 1974. SEASONALLY ADJUSTED IMPORTS (F.O.B.) WERE \$12,684 MIL. 6.6 PERCENT LESS THAN THE \$13,577 MIL OF OCT-DEC 1974. THEREFORE THE SURPLUS ON SEASONALLY ADJUSTED TRADE INCREASED BY \$540 MIL FROM THE PRIOR QUARTER TO REACH \$1,991 MIL. PRINCIPAL CAUSE OF THAT INCREASE HAS BEEN THE RELATIVELY FASTER SLOWDOWN IN IMPORTS.

5. MOF OFFICIALS ATTRIBUTED SUBSTANTIAL REDUCTION IN NET SURPLUS ON LONG-TERM CAPITAL TO REDUCED PURCHASES OF JAPANESE BONDS BY NON-RESIDENTS AS WELL AS A SHARP INCREASE IN DIRECT INVESTMENT ABROAD BY JAPANESE ENTERPRISES. HOWEVER, OVERSEAS BOND ISSUES BY JAPANESE CORPORATIONS AND PURCHASES OF JAPANESE STOCKS BY NON-RESIDENTS BOTH CONTINUED TO INCREASE IN MARCH.

6. SURPLUS ON OVERALL BALANCE WAS \$270 MIL, UP SLIGHTLY FROM FEBRUARY. COMMERCIAL BANKS' SHORT-TERM NET POSITION RECORDED OUTFLOW OF \$90 MIL. SURPLUS ON OFFICIAL SETTLEMENTS BALANCE DECLINED FROM \$458 MIL IN FEB. TO \$180 MIL IN MARCH. PUBLISHED OFFICIAL RESERVES INCREASED \$184 MIL FROM FEB. LEVEL TO \$14,152 MIL. GOLD AND FOREIGN EXCHANGE TOTALLED UNCLASSIFIED

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\$12,835 MIL, GOLD TRANCHE \$788 MIL, AND SDR'S \$539 MIL.

7. FOLLOWING ARE PRELIMINARY MOF DATA ON MAR BALANCE OF PAYMENTS IN MIL DOLLARS (IMF BASIS, NOT SEASONALLY ADJUSTED). ALL ITEMS ARE PLUS (I.E. RECEIPTS OR INCREASES IN NET RECEIPTS OVER FET) UNLESS SHOWN AS QTE MINUS UNQTE.

MR FEB
PROVISIONAL REVISED INCREASE

(1) CURRENT BALANCE 270 107 163
TRADE BALANCE 790 605 185
EXPORTS 4,990 4,358 632
IMPORTS MIN 4,200 MIN 3,753 MIN 447
SERVICES AND
TRANSFERS MIN 520 MIN 498 MIN 22
(2) LONG-TERM CAPITAL 50 242 MIN 192
(3) BASIC BALANCE 320 349 MIN 29
(4) NON-MONETARY SHORT
TERM CAPITAL AND
ERRORS AND OMISSIONS
COMBINED MIN 50 MIN 95 45
(5) OVERALL BALANCE 270 254 16
(6) COMMERCIAL BANKS MIN 90 204 MIN 294
SHORT-TERM NET POSITION
(7) SETTLEMENTS BALANCE 180 458 MIN 278

8. SEASONALLY ADJUSTED TRADE DATE (IMF BASIS) AS FOLLOW:

	MAR	FEB	
			PROVISIONAL REVISED INCREASE
EXPORTS	4,544	4,869	MIN 325
IMPORTS	MIN 4,042	MIN 4,047	5
BALANCE	502	822	MIN 320

9. NOTE: RATES OF EXCHANGE USED BY MOF TO CONVERT TO
DOLLAR BASIS WERE 287.67 YEN PER DOLLAR FOR MAR AND 292.76
YEN PER DOLLAR FOR FEB.
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